

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 300

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO STATE AGENCY STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT;
REPEALING SECTIONS 67-1901 THROUGH 67-1903, IDAHO CODE, RELATING TO STATE
PLANNING; AMENDING CHAPTER 19, TITLE 67, IDAHO CODE, BY THE ADDITION OF A
NEW SECTION 67-1901, TO SET FORTH PURPOSES; AMENDING CHAPTER 19, TITLE 67,
IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-1902, IDAHO CODE, TO
DEFINE TERMS; AMENDING CHAPTER 19, TITLE 67, IDAHO CODE, BY THE ADDITION
OF A NEW SECTION 67-1903, IDAHO CODE, TO PROVIDE FOR STRATEGIC PLANNING;
AMENDING CHAPTER 19, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SEC-
TION 67-1904, IDAHO CODE, TO PROVIDE FOR PERFORMANCE MEASUREMENT; AMENDING
CHAPTER 19, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
67-1905, IDAHO CODE, TO PROVIDE FOR TRAINING; AND AMENDING SECTION
67-3507, IDAHO CODE, TO REVISE A CODE REFERENCE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Sections 67-1901 through 67-1903, Idaho Code, be, and the
same are hereby repealed.

SECTION 2. That Chapter 19, Title 67, Idaho Code, be, and the same is
hereby amended by the addition thereto of a NEW SECTION, to be known and des-
ignated as Section 67-1901, Idaho Code, and to read as follows:

67-1901. PURPOSES. The purposes of sections 67-1901 through 67-1905,
Idaho Code, are to generate state agency planning and performance information
that can be used to:

- (1) Improve state agency accountability to state citizens and lawmakers;
- (2) Increase the ability of the legislature to assess and oversee agency
performance;
- (3) Assist lawmakers with policy and budget decisions; and
- (4) Increase the ability of state agencies to improve agency management
and service delivery and assess program effectiveness.

SECTION 3. That Chapter 19, Title 67, Idaho Code, be, and the same is
hereby amended by the addition thereto of a NEW SECTION, to be known and des-
ignated as Section 67-1902, Idaho Code, and to read as follows:

67-1902. DEFINITIONS. For purposes of sections 67-1901 through 67-1905,
Idaho Code:

(1) "Agency" means each department, board, commission, office and insti-
tution, educational or otherwise, except elective offices, in the executive
department of state government. "Agency" does not include legislative and
judicial branch entities.

(2) "Benchmark" or "performance target" means the agency's expected,
planned or intended result for a particular performance measure. This informa-
tion may come from an accepted industry standard for performance or from an

agency's careful study, research and/or analysis of the circumstances impacting performance capabilities.

(3) "Core function" means a group of related activities serving a common end of meeting the main responsibilities of the agency.

(4) "Goal" means a planning element that describes the broad condition, state or outcome an agency or program is trying to achieve.

(5) "Major division" means an organizational group within the agency that focuses on meeting one (1) or more of the agency's primary statutory responsibilities.

(6) "Objective" means a planning element that describes a specific condition, state or outcome that an agency or program is trying to achieve as a step toward fulfilling its goals.

(7) "Performance measure" means a quantifiable indicator of an agency's progress toward achieving its goals.

SECTION 4. That Chapter 19, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-1903, Idaho Code, and to read as follows:

67-1903. STRATEGIC PLANNING. (1) Each state agency shall develop and submit to the division of financial management a comprehensive strategic plan for the major divisions and core functions of that agency. The plan shall be based upon the agency's statutory authority and, at a minimum, shall contain:

(a) A comprehensive outcome-based vision or mission statement covering major divisions and core functions of the agency;

(b) Goals for the major divisions and core functions of the agency;

(c) Objectives and/or tasks that indicate how the goals are to be achieved;

(d) Performance measures, developed in accordance with section 67-1904, Idaho Code, that assess the progress of the agency in meeting its goals in the strategic plan, along with an indication of how the performance measures are related to the goals in the strategic plan;

(e) Benchmarks or performance targets for each performance measure for, at a minimum, the next fiscal year, along with an explanation of the manner in which the benchmark or target level was established; and

(f) An identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the strategic plan goals and objectives.

(2) The strategic plan shall cover a period of not less than four (4) years forward including the fiscal year in which it is submitted, and shall be updated annually.

(3) The strategic plan shall serve as the foundation for developing the annual performance information required by section 67-1904, Idaho Code.

(4) When developing a strategic plan, an agency shall consult with the appropriate members of the legislature, and shall solicit and consider the views and suggestions of those persons and entities potentially affected by the plan. Consultation with legislators may occur when meeting the requirement of section 67-1904(7), Idaho Code.

(5) Strategic plans are public records and are available to the public as provided in section 9-338, Idaho Code.

SECTION 5. That Chapter 19, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-1904, Idaho Code, and to read as follows:

67-1904. PERFORMANCE MEASUREMENT. (1) Every fiscal year, as part of its budget request, each agency shall prepare an annual performance report. The report shall be comprised of two (2) parts:

(a) Part I shall contain basic profile information for the prior four (4) fiscal years including statutory authority, fiscal year revenue and expenditure information and any informative breakdowns such as amounts from different revenue sources, types of expenditures, and data about the number and types of cases managed and/or key services provided to meet agency goals.

(b) Part II shall contain:

(i) Not more than ten (10) key quantifiable performance measures, which clearly capture the agency's progress in meeting the goals of its major divisions and core functions stated in the strategic plan required in section 67-1903, Idaho Code. The goal(s) and strategies to which each measure corresponds shall also be provided. More measures may be requested by the germane committee chairs through the process set forth in subsection (7) of this section.

(ii) Results for each measure for the prior four (4) fiscal years. In situations where past data is not available because a new measure is being used, the report shall indicate the situation.

(iii) Benchmarks or performance targets for each measure for, at a minimum, the next fiscal year, and for each year of the four (4) years of reported actual results.

(iv) Explanations, where needed, which provide context important for understanding the measures and the results, and any other qualitative information useful for understanding agency performance.

(v) Attestation from the agency director that the data reported has been internally assessed for accuracy, and, to the best of the director's knowledge, is deemed to be accurate.

(2) Each agency performance report shall be presented in a consistent format, determined by the division of financial management, which allows for easy review and understanding of the information reported.

(3) Each agency shall review the results of the performance measures compared to benchmarks or performance targets and shall use the information for internal management purposes.

(4) Each agency shall maintain reports and documentation that support the data reported through the performance measures. This information shall be maintained and kept readily available for each of the four (4) years covered in the most recent performance report.

(5) The performance report shall be submitted by the agency to the division of financial management and the budget and policy analysis office of the office of legislative services by September 1 of each year. In fiscal year 2006, agencies shall submit part I of the performance report required by subsection (1)(a) of this section no later than November 1, and are exempt from submitting part II of the performance report required by subsection (1)(b) of this section. In accordance with section 67-3507, Idaho Code, agency performance reports shall be published each year as part of the executive budget document.

(6) The office of budget and policy analysis of the office of legislative services may incorporate all or some of the information submitted under this section in its annual legislative budget book.

(7) Each agency shall orally present the information from the performance report to its corresponding senate and house of representatives germane committees each year unless a germane committee elects to have an agency present such information every other year. The presentations shall consist of a review

of agency performance information and shall provide an opportunity for dialogue between the agency and the committees about the sufficiency and usefulness of the types of information reported. Following any discussion about the information reported, the germane committees, in accordance with the requirements of this section, may request any changes to be made to the types of information reported. In fiscal year 2006, each agency shall be required only to present part I of the performance report required in subsection (1)(a) of this section and, at a minimum, a progress report on the implementation of part II of the performance report as set forth in subsection (1)(b) of this section.

(8) If an agency and its corresponding germane committees determine that it is not feasible to develop a quantifiable measure for a particular goal or strategy, the germane committees may request an alternative form of measurement.

(9) The senate and the house of representatives germane committees should attempt to meet jointly to hear and discuss an agency's performance report and achieve consensus regarding the types of measures to be reported.

SECTION 6. That Chapter 19, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-1905, Idaho Code, and to read as follows:

67-1905. TRAINING. Strategic planning and performance measurement training shall be held for both state agencies and lawmakers as follows:

(1) The division of financial management shall coordinate training for key agency personnel on the development, use and reporting of strategic planning and performance measurement information. The training shall be integrated into current agency training programs and shall be offered and required for agency staff at a frequency determined by the division of financial management.

(2) The office of performance evaluations and the office of budget and policy analysis of the office of legislative services shall coordinate training for legislators on the development and use of strategic planning and performance measurement information. The training shall be offered at least once every two (2) years to coincide with new legislative terms.

SECTION 7. That Section 67-3507, Idaho Code, be, and the same is hereby amended to read as follows:

67-3507. EXECUTIVE BUDGET. The executive budget document shall consist of the following three (3) parts:

(1) Part I of the executive budget document shall consist of a budget message by the governor which shall outline the financial plan of the executive department of the state government for the next fiscal year, describing the important features of the financial plan.

(2) Part II of the budget document shall present in detail for the next fiscal year, as minimum information to be included in Part II, items showing: estimates of agency needs based on the governor's recommendations, to meet the expenditure needs of the state from all available funds classified by agencies and showing the cost of each major program. Part II shall also set forth the governor's recommendations for the capital program. All funds, including federal and local funds and interagency receipts received for any purpose, shall be accounted for in the budget.

(3) Part III of the budget document shall consist of the annual performance plans required in section 67-19034, Idaho Code.